

BEFORE  
THE PUBLIC SERVICE COMMISSION OF  
SOUTH CAROLINA  
DOCKET NO. 2006-267-E - ORDER NO. 2006-532  
SEPTEMBER 20, 2006

IN RE: Electric Service Contract Between South	) ORDER APPROVING
Carolina Electric & Gas Company and	) CONTRACT AND
Parkdale Mills, Incorporated	) GRANTING FURTHER
	) RELIEF

This matter comes before the Public Service Commission of South Carolina (the Commission) on the request of South Carolina Electric & Gas Company (SCE&G or the Company) for approval of a Contract for Electric Service between the Company and Parkdale Mills, Incorporated (Parkdale Mills). This Contract governs the Company's service to Parkdale Mill's plant near Graniteville, South Carolina. Parkdale Mills is a cotton yarn spinning facility. Parkdale Mills recently purchased this facility from Avondale Mills. Avondale announced this past spring that it was closing its Graniteville facilities. Parkdale Mills purchased the Townsend Plant from Avondale in Graniteville and two other facilities in Alabama along with the equipment in all three facilities. According to SCE&G the purchase of the Avondale plant by Parkdale Mills helped to ease the economic impact to the area by saving approximately 250 jobs.

SCE&G further requests that the Contract be received by the Commission under seal for review, because of the commercial sensitivity and proprietary nature of certain

provisions of the Contract, as well as the highly competitive nature of the industry in which Parkdale Mills operates.

The Office of Regulatory Staff (ORS) has reviewed the filing. ORS has no objections to the Contract. ORS notes that the Contract was executed under SCE&G's economic development program. The Parkdale Mills facility is expected to help retain 250 jobs at the plant location. Further, ORS recommends that, if this Commission approves the request, that a provision be included to require SCE&G to track any resulting foregone revenue and reserve the appropriate ratemaking treatment related to any foregone revenues for a future rate proceeding or review as determined by the Commission.

We have examined this matter and conclude that the Contract for Electric Service between the Company and Parkdale Mills should be approved, and it is so approved herein. Clearly, the economic incentive offered in this Contract is highly desirable.

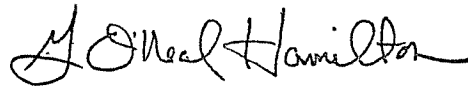
In addition, we grant the Company's request that the Contract be received by this Commission under seal for review. We agree that certain provisions of the contract are commercially sensitive and proprietary. Further, this treatment is justified because of the competitive nature of the industry in which Parkdale Mills operates.

Lastly, we grant the ORS request that SCE&G be required to track any resulting foregone revenue and reserve the appropriate ratemaking treatment related to any foregone revenues for a future rate proceeding or review as determined by this Commission. Such a requirement is reasonable when contracts such as the one at issue in this instance are under consideration.

In summary, the Contract is approved as filed, the contract has been received by this Commission under seal for review, and SCE&G is required to track any resulting foregone revenues for a future rate proceeding as described above.

This Order shall remain in full force and effect until further Order of this Commission.

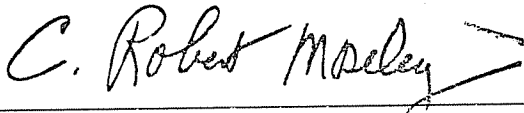
BY ORDER OF THE COMMISSION:



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G. O'Neal Hamilton, Chairman

ATTEST:



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C. Robert Moseley, Vice-Chairman

(SEAL)